



DISCLOSURE 2020SM



Original thinking and creative ideas for effective disclosure

The sample disclosures in this publication are fictitious, may not be applicable to specific situations and do not constitute legal advice. Argyle has prepared them to illustrate our convictions concerning disclosure, but they are not intended to reflect actual companies or disclosures.

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INTRODUCTION

Dear reader,

Welcome to Disclosure 2020SM, Argyle'sTM contribution to help your disclosures reach their fullest potential.

Why are we doing this?

Because we are passionate about effective disclosure and the opportunity that it represents for America's corporations.

Those of you who know us know – and those of you who don't will soon learn – that developing, implementing and sharing creative approaches to disclosure get us really excited. Late last year, we started talking about a project to communicate our thinking and ideas to disclosure and governance professionals; Disclosure 2020 is the result. With Disclosure 2020, we hope to contribute to enhanced disclosure practices. Of course, we also hope that Disclosure 2020 will serve to introduce Argyle to a broad audience. But it is earnestly intended to be much more than a marketing piece; rather, we hope it will empower you and the companies you represent to create disclosures that optimally communicate with your investors and, by doing so, establish trust and generate support.

One size does not fit all

In disclosure – as with other governance matters – one size does not fit all. Consequently, we bring a customized approach to every engagement; we consider each company's unique characteristics – its business, its culture, its performance, its shareholder composition and other factors – before making recommendations on ways to achieve more effective disclosure. As a result, the ideas presented on the following pages are not intended to be read as a literal approach that can be used by any company to achieve more effective disclosure; rather, they should be viewed as a series of constructive, individual examples that may help companies tell their stories more effectively. You may disagree with some of our suggestions and in some cases dislike them, possibly intensely. However, we hope – and believe – that even the ideas you don't like will be provocative in the best sense of the word: they will make you think about ways to enhance your company's disclosures. After all, if you don't tell your story effectively, someone else will – and that someone else could be a proxy advisor or other party that does not see things your way.

And what of regulation?

The SEC is also interested in more effective disclosure, and we expect to hear from them in the not-too-distant future. However, the SEC has noted that companies can – and should – improve their disclosures even in the absence of regulatory reform. We see this as an opportunity for your company to demonstrate that it is ahead of the curve and interested in engagement in the broadest sense – providing clear, robust and engaging disclosure to all its shareholders and other constituencies. For example, rather than waiting until pay ratio disclosures are required, why not talk now about employee compensation, at least in broad terms (see page 16 for an example). Again, if you don't tell your story, someone else will.

All of us at Argyle know that static disclosure is boring disclosure. As a result, we are passionately committed to more effective and engaging disclosure. We look forward to having you accompany us along the way.



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ABOUT ARGYLE

Argyle (www.argyle.company) is the shareholder communications advisory and design division of DG3 (www.dg3.com).

We propose creative ideas and original thinking to help corporations communicate messages through enhanced disclosure documents, digital media and investor communications.

We also enable clients to be more effective by offering time-saving, easy to use and dependable solutions for the preparation, production and printing of disclosure documents. Our proprietary technologies include Disclosure 2.0, which enables users to prepare elegant disclosures collaboratively in Microsoft Word®, and our Graphics Generator, which creates clear, impactful graphics in minutes for both SEC filings and other documents. Our state-of-the-art 175,000 sq. ft. print and fulfillment facility is located less than 50 miles from Broadridge®.

What we do

Because we manage every step in-house, we commit to the highest standards for your disclosure project from beginning to end.

Consultancy	An experienced advisory team proposing original and relevant disclosure expertise, messaging and strategy
Copywriting	Drafting, editing, structure and content
Design	Distinctive design across EDGAR, print, online and mobile applications
Web	Planning, building and hosting Annual Meeting and proxy fight websites
Execution	Typesetting, proofreading and global project management through to EDGAR filing Online editing technology for text, tables, graphics
Printing	Complete in-house print and bindery

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A note of appreciation

Special thanks to Fay, Jhena, Melissa and all of the colleagues who contributed to the preparation of Disclosure 2020. Teamwork to make the dream work!

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DOCUMENT ARCHITECTURE

SAME OLD SAME OLD

Every year, someone at your company (probably you) takes out last year's version of the 10-K or the proxy statement and starts updating it. Though the mechanics have changed over the years, the process is largely the same: For each new reporting period, we simply update the most recent filing. If last year's proxy statement presented the notice of meeting, followed by information about the meeting and voting, the director nominees, executive compensation, the auditing firm, and shareholder proposals, this year's proxy statement may differ only in the details. Similarly, the basic

structure of 10-Ks remains the same from year to year, generally following the SEC's Form 10-K.

This formulaic approach has been criticized and questioned for years – the SEC staff and many others have said time and again that you shouldn't start out by marking up last year's documents – but it's what many still do. However, if you want to communicate and engage constructively with critical stakeholders – what we call marrying disclosure with communication – you need to think about breaking old habits.

Compliance doesn't mean you have to follow the form

The SEC's general instructions say that the 10-K “is not to be used as a blank form to be filled in, but only as a guide in the preparation of the report.” However, year in and year out, companies do precisely what the general instructions say they don't have to do – they follow the form, listing Item 1 and so on, with the specific, detailed title for each item and sub-item. Aside from being off-putting – it looks like a government form, and we all know how exciting those

can be – this approach leads to repetition, the inclusion of immaterial information and, sometimes, a lack of focus on what's really important. In other words, it may not be great disclosure and it's certainly not good communication.

We think that SEC filings can be good at both – full, fair and even robust disclosure can also be great communication and a tool for constructive engagement with shareholders and other constituencies.

52 pickup

Some of you may recall the children's card game – really a practical joke – called 52 pickup. You ask someone if they want to play 52 pickup and when they say yes you dump a deck of cards on the floor and then say “pick them up”. Not very clever (in fact, rather annoying), but it illustrates a way of thinking about your disclosure documents: If you played 52 pickup with your documents, which pieces would you want – or need – to pick up first?

Another way of thinking about it may be more realistic – if you know that the readers of, say, your proxy statement can devote no more than 20 minutes to that massive document, what would you want them to look at first and where would you put it? In fact, this is likely your precise situation, as your major shareholders – the institutions that hold the overwhelming majority of your shares (and therefore dictate voting outcomes) – rarely spend more time than that on the proxy statement that you slave over year in and year out.

To figure out the architecture of your document, you need to think about the messages you want to communicate, taking into account what your readers' needs and questions are – or are likely to be. In the case of a 10-K, the key messages might include your major achievements during the period, the things you are proud of, and the things you may need to explain. In a proxy statement, you might want to convey

the major accomplishments of your board and committees over the course of the year, changes you made to your executive compensation program, and how you improved your governance processes. The answers to these types of questions, as well as what your investors want to know, should dictate the structure of the document. Of course, this suggests that you already know what your investors' questions are; if you have been engaging with them over the course of the year, you know what their questions – and their hot buttons – are. If not... well, that's another matter.

Let's play 52 pickup with your proxy statement and figure out what the key pages are:

- The notice of meeting? We don't think so. In fact, you can include the notice in a proxy summary or highlights section that gives the key facts that your readers will want to know.
- How about a letter from your CEO and/or your Board Chair or Lead Independent Director? Isn't a key purpose of the proxy statement to demonstrate that your directors – including your board leadership – are engaged and committed? If that's the case, why not use the first page or two to achieve this goal? If a letter doesn't suit you, how about a Q&A?

- Information about the Meeting and Voting – The institutions that control your voting outcomes don't want or need this information. They know how to vote and they don't attend most meetings, so you don't need to tell them that they need an admission card or that they can't take pictures at the meeting. So move this section to the back of the book and use this key proxy statement “real estate” to provide a proxy summary or a CEO or board letter that tells them what they want to know – what has the board done since last year? How has the compensation program improved? How has the company strengthened the ties between pay and performance?
- Table of Contents – Sure, but do it dynamically and include a “where to find it” call-out for more information that may be hard to find.

How about a quick game of 52 pickup with your 10-K?

- First, let's lose the sometimes wordy, other times meaningless captions that the SEC has created for disclosure. For example, “Risk Factors” could be changed to “The Risks We Face and How We Deal

with Them”. And while we're at it, let's eliminate the various Item numbers in the SEC form; do they really matter?

- Second, how about putting the components of the 10-K in some reasonable order rather than the often arbitrary order that the SEC Form 10-K uses?
- Some matters that are required to be disclosed in the 10-K are less important than they may have been when the form was first developed many years ago. If things like “Properties” are not relevant to your company's business, consider moving it to a section at the back of the book that contains various topics that are technically required but are no longer significant.
- Many of us have experienced the difficulties involved in hunting for an exhibit that's listed in the 10-K but in reality was filed with some other document a long time ago. Consider revising the approach to your exhibits to include a link to where the reader can actually find the document, rather than requiring him or her to go on an expedition.

'Nuff said?

We think you get the point. Play 52 pickup; look at your disclosure with fresh eyes; determine what's really important; and drive your readers to it.

DRAFTING EFFECTIVE DISCLOSURE

Mere “disclosure” is no longer adequate. Even the word suggests something as dry as dust. Disclosure can and should be effective communication; that’s the goal.

To draft effective disclosure, you need to know your audience – or, rather, your audiences. Who holds the bulk of your shares? If, as is typical, institutional investors own 70% or more of your

shares, that’s one thing; if a significant chunk of your stock is owned by retail owners (including your employees), that may be a different story. Also, you should bear in mind that not all institutional owners look (or think) alike. Your disclosures need to be relevant to all your audiences – or as many audiences as possible.

How to Create Human Disclosure

A key method of avoiding the “dry as dust” problem is to create empathy – in other words, make your disclosures as human as possible. There are some tools to help you here, including the following.

Things To Do (or Not)	Examples
Use first and second person where practicable	“We believe...” “You should review...”
Don’t define terms that don’t need to be defined; it’s too legalese and interrupts the flow	No need to define the Compensation Committee as the “Compensation Committee” May be no need to define terms like the “Company” or the “Board”
When you do define terms, keep it simple	Don’t define the Compensation and Human Capital Committee as the “Compensation and Human Capital Committee” – pick something shorter
Draft as conversationally as possible	Avoid long sentences, long paragraphs and convoluted grammar
Use tools, such as bullet points and boldface captions, to emphasize key points, but make them clear (so the reader doesn’t have to read a paragraph to get the meaning)	Instead of “Director Engagement” say “Our Directors Engage with Our Shareholders”

Mastering Narrative Reporting

This can be the hard part, because drafting narrative disclosure can depend on a wide variety of facts – corporate culture, past history (including challenges), and all sorts of internal and external factors. Narrative disclosure also reflects personal style, which can be very hard to change. Here are some hints to consider as you prepare narrative disclosure:

- Draft from scratch – It’s very hard to do this, and it’s not always necessary, but every so often it’s a good idea to just sit down and rewrite something you’ve

been saying year in and year out. Has a particular section of the proxy statement generated comments and questions, whether internally or from your investors? That section would be a good candidate for a rewrite.

- Get a second opinion – Have someone who’s a good reader (and if you’re really lucky, a good editor) read your document and tell you what he/she thinks. You’ll be surprised how effective some good advice of this type can be.

Reduce Volume

This is another big challenge, particularly when in some cases SEC or accounting rules, and in other cases the need to hammer home a point, make it necessary to repeat information. However, there are some tricks here as well – in addition to the suggestions above – such as:

- Use tables, bullet points, and infographics – among other things – instead of words. You can often get your key points across without using full sentences. These techniques can be very effective in reducing the amount of text you need to state your case.

- Think carefully about whether you have to repeat the same thing in different places. Cross-references aren’t always the most effective way to get a point across, but if it saves you a page of type, they’re worth it.
- As noted above, focus on your audiences – but within reason. Of course, different audiences may want you to address different points. However, that doesn’t mean that you can or should give each and every audience what it might like to see. Figure out what you need to disclose to satisfy the largest numbers of stakeholders and realize that you may not be able to provide something for everyone.

Don't Be Such a Lawyer

Don't get us wrong – we like lawyers (one of us is a lawyer, and we really like him). We know that lawyers take their responsibility for disclosure very seriously, and lots of what they do is outstanding. But we're compelled to say that, at least sometimes, lawyers need lose their training just a bit to create more effective disclosure. Three things in particular come to mind:

- Lawyers are trained to build to their conclusions rather than stating them up front and then supporting them. That may work on TV or in the movies, but in real life your readers may lose interest before they get to the “aha!” moment when you state your conclusions.
- Lawyers are also trained to include every fact that supports their position. Again, that may be great in a legal argument, but if you provide every fact that supports your conclusions, your disclosures are likely to end up being too detailed – which weakens your narrative power – and, again, your readers may have dozed off by the time they get your point.

- Securities lawyers are trained to draft cautiously; they're big on disclaimers, qualifying statements with cautionary language, and the like. That's fine, but it can sometimes lead to unassertive disclosure. We're absolutely not advocating hype or exaggeration, but there are times when you can state facts assertively and leave it at that. That's particularly true for executive summaries, where everything is qualified by the more detailed disclosures in the back of the book.

So lose your lawyer training, if just a bit. Start out with your conclusions and then support them. As you build your support, think carefully about whether each supporting fact is really necessary or if it just clutters your narrative. And be assertive when it's appropriate.

CONTENT PROPOSALS

BRAND, STRATEGY AND THE INVESTMENT STORY

Readers think visually, and so communicating information in a way that is attractive to the eye increases the likelihood of a message being seen, read and understood. As a case in point, an entirely narrative “Business” section of the Form 10-K is a missed opportunity to tell an effective strategy and investment story.

Objectives

- ✓ Present key achievements, messages and high-level strategy on one double page
- ✓ Communicate brand, culture, values and the investment story
- ✓ Clearly and confidently articulate strategic focus and growth prospects
- ✓ Visual elements encourage readers to dive deeper into content, whether online or in print

PROPOSED APPROACH

Communicate facts and your strengths

Because it is the “go to” document for analysts and investors and looking for hard facts about your company, your 10-K can be a great platform to tell your story in way that is clear, crisp and engaging

Engage your audience

A presentation that uses graphics, maps and design cues explains what a business does more effectively than a dense narrative

OUR STRATEGY TO CREATE VALUE

WHAT WE DO

We are a global partner for our customers, offering them the products and services they require whenever they need them, and wherever they happen to be.

STORES

- In major shopping destinations worldwide
- A presence in every growth market
- Over 200 million visits per year

DISTRIBUTION FACILITIES

- Strategically located in major markets
- A unique transport system
- Prompt availability of goods and services

MANUFACTURING PLANTS

- Three wholly owned facilities
- Vertically integrated manufacturing
- Over 900,000 sq. ft. of manufacturing space

WHERE WE OPERATE

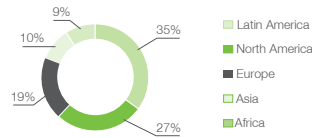


00 2014 Form 10-K

OUR WORLDWIDE PRESENCE

Ensures exposure to target markets and revenue opportunities across key territories.

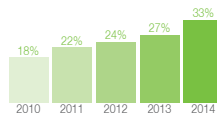
REVENUE BY MARKET (%)



RECORD MARKET PENETRATION

Our strategic presence in key markets continues to drive our growth story.

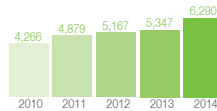
MARKET SHARE (%)



STRONG REVENUE GROWTH

Fiscal year 2014 revenues of \$6,290m, 15% higher than 2013.

REVENUE (\$ billions)



5 YEARS OF INCREASED DIVIDENDS

In Q4 the Board approved an increase in our dividend to an annual rate of \$1.50.

DIVIDEND (\$)



OUR KEY STRENGTHS

1

Brand Awareness. Our brand is instantly recognizable in key growth markets and is trusted by customers around the world.

2

A Culture of Innovation. We create products and services that meet the needs of the times in which we live, and make a meaningful difference to the lives of our customers.

3

Service and Quality. Our client representatives are present in-store and offer exceptional after-sales service to ensure that our clients come back time after time.

4

Global reach. Our stores are located in all major markets, and our peerless distribution network and vertically integrated manufacturing facilities ensure that up-to-the-minute products reach our customers on time.

Highlight major achievements

Use graphics to highlight changes and achievements since the last report

An opportunity to attract and reinforce investment

Disclosure should comply *and* establish trust with your readers

FULL PAGE EXAMPLE

OUR STRATEGY TO CREATE VALUE

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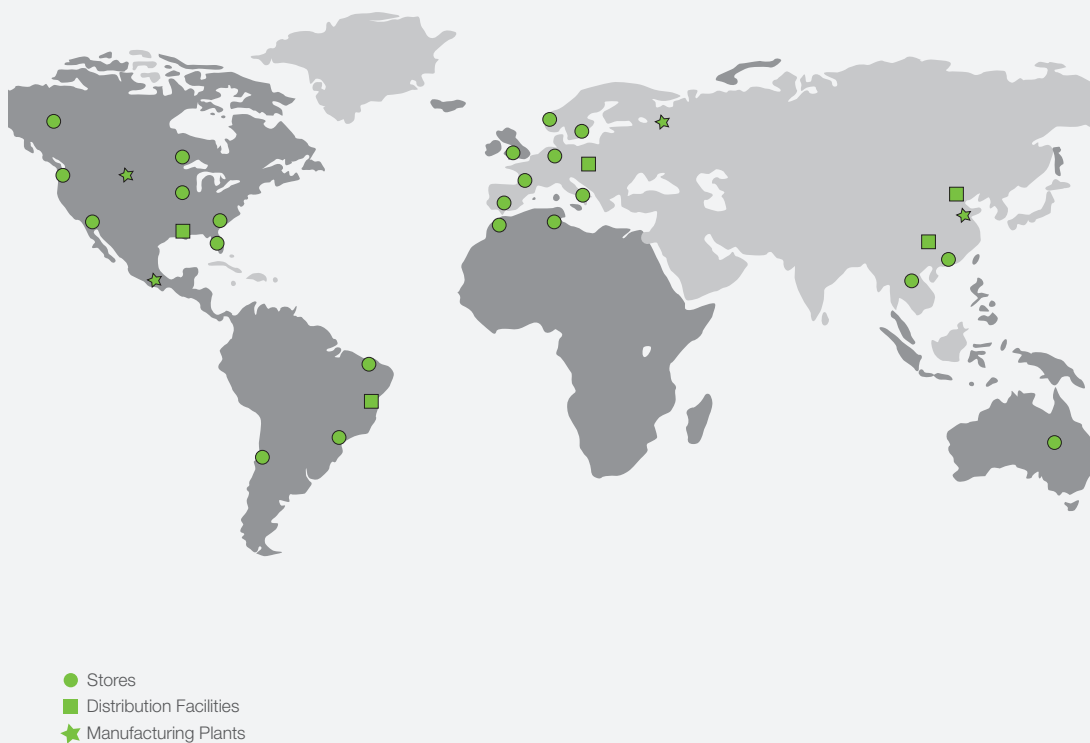
DISTRIBUTION FACILITIES

- Strategically located in major markets
- A unique transport system
- Prompt availability of goods and services

MANUFACTURING PLANTS

- Three wholly owned facilities
- Vertically integrated manufacturing
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WHERE WE OPERATE

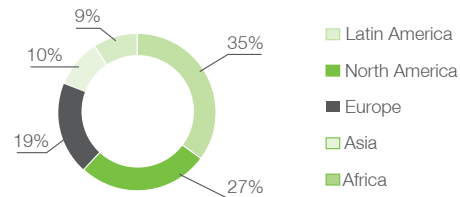


FULL PAGE EXAMPLE

OUR WORLDWIDE PRESENCE

Ensures exposure to target markets and revenue opportunities across key territories.

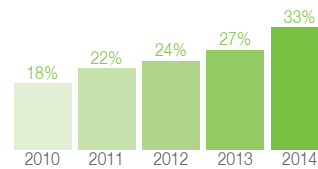
REVENUE BY MARKET (%)



RECORD MARKET PENETRATION

Our strategic presence in key markets continues to drive our growth story.

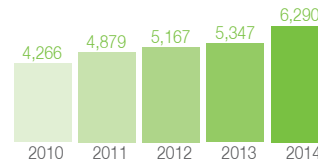
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REPORTING RISK

Reporting risk is an imperfect exercise. Corporations face multiple challenges, both known and unknown, and although much time in the boardroom is focused on the oversight of risk, foresight can never be as accurate as hindsight when it comes to spotting black swans.

Nonetheless, poor assessment of risk is considered by many to have been a root cause of the recent financial

crisis, and so investors and regulators expect and require improvements in reporting the risks businesses face.

Assuming that risk is appropriately anticipated and managed, what can be done to overcome the formulaic to report risk in a way that is clear and informative?

Objectives

- ✓ Report risk in a way that is more relevant to your audience
- ✓ Focus on "real" risks – those more likely to happen – rather than every imaginable one
- ✓ Clarify the likelihood of the event coming to be
- ✓ Explain whether a risk has grown or diminished since the last report
- ✓ Highlight what is being done by the board and management to mitigate the risk

PROPOSED APPROACH

The presentation of risk factors should be clear and digestible

The narrative presentation of risk in many current 10-Ks can be long and difficult to follow

Current risks are highlighted by theme

To be clear and concise, we propose a tabular presentation of each risk, its background, how it is being managed and its evolution from the prior year

Link to supporting detail

In this case we guide readers to the Proxy Statement for information on executive compensation, and the Company's website for up-to-the-minute information on IT security policies

Tell readers how this risk might affect your company

Explain concisely how this risk could impact your business

Explain how the risk is being managed

Present steps taken by the board and management to avert exposure to risk

Provide an informative description of how the risk has evolved

Describe how the circumstances around the risk have changed since the last report

THE RISKS WE FACE AND HOW WE DEAL WITH THEM			
RISK	BACKGROUND	WHAT WE ARE DOING TO MANAGE THIS RISK	CHANGE FROM 2014
DATA SECURITY Further Information: www.companyname.com/datasecurity	Our operations and financial security could be significantly affected by disruption following an occurrence such as a cyber attack or data breach.	<ul style="list-style-type: none"> Continuity plans have been established at corporate and store levels. Individual stores are reviewed for data risk and to provide appropriate defense measures and insurance coverage. A crisis management procedure has been established with predetermined processes and escalation. The current IT security threat is assessed regularly through links with security agencies. We continue to take significant actions to strengthen IT security across our networks. 	Increased While the overall risk of a major incident is uncertain, assessments indicate a heightened risk status as cyber criminals become more sophisticated.
FINANCIAL	We must manage our finances within tight parameters, particularly during periods of economic uncertainty when capital may not be accessible when we need it. Failure to manage our balance sheet could negatively affect the Company's performance and reputation.	<ul style="list-style-type: none"> Procedures have been enhanced to control and monitor capital allocation and spends. All expenditures are reviewed and appraised against our strategic goals. Those approved are subject to further scrutiny and execution milestones. Exposure to liquidity risk is managed by seeking to ensure that we have access to a wide and varied range of funding sources, and by the effective and prudent management of our cash. 	Reduced The Company's balance sheet was strengthened by the share offering in September in favorable market conditions.
TALENT MANAGEMENT Further Information: Corporate Governance and Nominating Committee report (Proxy Statement page 00) Compensation Discussion & Analysis (Proxy Statement page 00)	Our management structure or resource levels might not be appropriate for achieving our business objectives, while failure to attract and retain key executives and staff with appropriate skills could impact our success.	<ul style="list-style-type: none"> Our Corporate Governance and Nominating Committee approves succession plans for the CEO and other senior executives. Significant changes to our management structure are reviewed and approved by the Board. With the support of an independent compensation consultant, we benchmark our compensation structure – including an annual review by the Compensation Committee – against relevant peers. We believe that our compensation plans are well designed and that, beyond compensation, we offer empowering roles with leadership responsibilities in an organization with an excellent reputation. 	Increased The market for executive talent has become more competitive, and this will continue to be the case for the foreseeable future. With executive talent in high demand, there is continued upward pressure on salaries for the best candidates.
REPUTATION	Maintaining our reputation is critical to attracting customers to our products. If we fail or appear to fail to deal with issues that may give rise to reputational risk, we could significantly harm our business prospects.	<ul style="list-style-type: none"> Our development and innovation teams substantiate any product claims prior to launch. Media relations experts monitor press coverage of our Company and products in print and online media, and have action plans prepared to manage any adverse publicity. We participate in industry-wide initiatives to promote and protect our products 	Unchanged We continue to manage unexpected/unfounded negative publicity to avoid a detrimental impact to the Company's reputation.
COMPETITION	We operate in a competitive environment marked by changing demographic trends. Our continued profitability depends on our ability to respond rapidly to these changes and trends.	<ul style="list-style-type: none"> In our constantly evolving market, we are confident in our capacity to make the right decisions and investments to survive and thrive by inspiring innovation, helping to manage risk and focusing on the initiatives that will lead to profitable growth. We benefit from a strong market position with flexible pricing power. Our management team is experienced and has a strong track record of innovation and responding to our market. 	Unchanged We monitor our competitors' activity and understand that our principal protection from competition is to provide our customers with an excellent and differentiated set of products at a price that provides value.

FULL PAGE EXAMPLE

THE RISKS WE FACE AND HOW WE DEAL WITH THEM

RISK	BACKGROUND	WHAT WE ARE DOING TO MANAGE THIS RISK	CHANGE FROM 2014
DATA SECURITY Further Information: www.companyname.com/datasecurity	Our operations and financial security could be significantly affected by disruption following an occurrence such as a cyber attack or data breach.	<ul style="list-style-type: none"> Continuity plans have been established at corporate and store levels. Individual stores are reviewed for data risk and to provide appropriate defense measures and insurance coverage. A crisis management procedure has been established with predetermined processes and escalation. The current IT security threat is assessed regularly through links with security agencies. We continue to take significant actions to strengthen IT security across our networks. 	 Increased While the overall risk of a major incident is uncertain, assessments indicate a heightened risk status as cyber criminals become more sophisticated.
FINANCIAL	We must manage our finances within tight parameters, particularly during periods of economic uncertainty when capital may not be accessible when we need it. Failure to manage our balance sheet could negatively affect the Company's performance and reputation.	<ul style="list-style-type: none"> Procedures have been enhanced to control and monitor capital allocation and spends. All expenditures are reviewed and appraised against our strategic goals. Those approved are subject to further scrutiny and execution milestones. Exposure to liquidity risk is managed by seeking to ensure that we have access to a wide and varied range of funding sources, and by the effective and prudent management of our cash. 	 Reduced The Company's balance sheet was strengthened by the share offering in September in favorable market conditions.
TALENT MANAGEMENT Further Information: Corporate Governance and Nominating Committee report (Proxy Statement page 00) Compensation Discussion & Analysis (Proxy Statement page 00)	Our management structure or resource levels might not be appropriate for achieving our business objectives, while failure to attract and retain key executives and staff with appropriate skills could impact our success.	<ul style="list-style-type: none"> Our Corporate Governance and Nomination Committee approves succession plans for the CEO and other senior executives. Significant changes to our management structure are reviewed and approved by the Board. With the support of an independent compensation consultant, we benchmark our compensation structure – including an annual review by the Compensation Committee – against relevant peers. We believe that our compensation plans are well designed and that, beyond compensation, we offer empowering roles with leadership responsibilities in an organization with an excellent reputation. 	 Increased The market for executive talent has become more competitive, and this will continue to be the case for the foreseeable future. With executive talent in high demand, there is continued upward pressure on salaries for the best candidates.
REPUTATION	Maintaining our reputation is critical to attracting customers to our products. If we fail or appear to fail to deal with issues that may give rise to reputational risk, we could significantly harm our business prospects.	<ul style="list-style-type: none"> Our development and innovation teams substantiate any product claims prior to launch. Media relations experts monitor press coverage of our Company and products in print and online media, and have action plans prepared to manage any adverse publicity. We participate in industry-wide initiatives to promote and protect our products 	 Unchanged We continue to manage unexpected/unfounded negative publicity to avoid a detrimental impact to the Company's reputation.
COMPETITION	We operate in a competitive environment marked by changing demographic trends. Our continued profitability depends on our ability to respond rapidly to these changes and trends.	<ul style="list-style-type: none"> In our constantly evolving market, we are confident in our capacity to make the right decisions and investments to survive and thrive by inspiring innovation, helping to manage risk and focusing on the initiatives that will lead to profitable growth. We benefit from a strong market position with flexible pricing power. Our management team is experienced and has a strong track record of innovation and responding to our market. 	 Unchanged We monitor our competitors' activity and understand that our principal protection from competition is to provide our customers with an excellent and differentiated set of products at a price that provides value.

HIGHLIGHTING PERFORMANCE

Performance data presented in graphic form can catch the attention of readers and highlight Company achievements more effectively than tables or narratives. In addition, “Performance Highlights” may also be used to explain *why* a given metric is important to success, and how it impacts executive compensation.

When presented with context, Performance Highlights become even more useful to current and potential investors.

Objectives

- ✓ Leverage the visual impact of graphics to present Company performance
- ✓ Explain why each performance metric is important and relevant to your business
- ✓ Link performance to executive rewards

PROPOSED APPROACH

Performance, and its relationship with compensation

In the proxy statement, performance highlights are presented to provide context for the compensation disclosures that follow in the CD&A. In this example, performance is linked to compensation in a dashboard that could be expanded to include outcomes

Establish year-round dialogue

Encourage readers to visit your corporate or annual meeting website for further information

PERFORMANCE HIGHLIGHTS

We monitor our performance by measuring and tracking key performance indicators that are important to our long-term success. Our senior executives' compensation objectives are tied to attainment of these indicators.

EARNINGS PER SHARE (EPS) (\$)

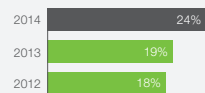
EPS is an industry standard determining corporate profitability for shareholders. EPS is adjusted to better reflect the performance of the business.

EPS increased by 28%, reflecting favorable exchange rates for the US Dollar and resulting consumer travel.

Link to Compensation Opportunity

- Long-term incentive

\$24.17



2-YEAR TOTAL SHAREHOLDER RETURN

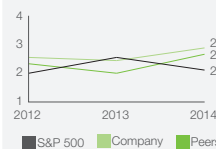
The Board believes that TSR is a valuable metric to assess the Company's performance in the delivery of shareholder value.

Performance of our TSR surpassed that of the S&P 500 and all but one of our peers.

Link to Compensation Opportunity

- Long-term incentive

2.8%



OPERATING INCOME (\$m)

Operating income is our key measure for financial performance.

With favorable interest rates, increased tourism and positive perception among consumers, adjusted operating income has increased by 15%.

Link to Compensation Opportunity

- Short- and long-term incentive

\$1,711



www.wearecompany.com

LEARN MORE ONLINE ABOUT OUR STRATEGY TO DELIVER PROFITABLE GROWTH

- Learn more about our history, our people and our strategy
- Explore our operations
- Read more on our approach to sustainability

FULL PAGE EXAMPLE

PERFORMANCE HIGHLIGHTS

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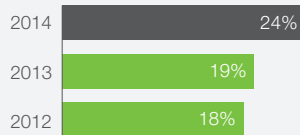
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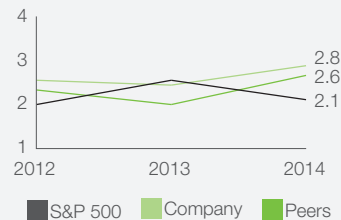
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SUMMARY INFORMATION

What does the future hold for summary information such as proxy summaries and “executive summaries” of the CD&A and other disclosure components? At the moment, these summaries are useful – and in some cases essential – to tell your story up front and effectively. As documents have become more voluminous, summaries have enabled companies to communicate facts to readers who might otherwise rely on proxy advisor reports.

Yet despite their utility, summaries are little more than a bunch of facts – albeit presented effectively – that are out of context rather than being part of a broader message. We are therefore proposing a bold combination of a Board Letter

and Proxy Summary to provide greater focus on governance facts and accomplishments, with broader, supporting information on later pages for those readers who require it. We think a similar approach can and should be employed to combine a meaningful Compensation Committee Report with the key facts that investors will want to know – and should know – about compensation programs and practices that are discussed in detail in the CD&A.

We believe this evolutionary approach will promote more transparent and concise reporting that better informs readers of the company’s long-term prospects.

Objectives

- ✓ Present information in a way that attracts readers’ attention
- ✓ Give the board of directors/compensation committee a voice
- ✓ Use formats that enable the board and its committees to highlight their key accomplishments during the prior year accomplishments during the prior year
- ✓ Establish dialogue around ongoing issues, address current concerns

PROPOSED APPROACH

The Board tells the governance story and draws focus to progress and achievements

A quality board is a prerequisite to corporate success and is becoming an increasingly important investment consideration. An evolved board letter could go beyond an isolated proxy summary to highlight board performance and offer readers more of what they are looking for in terms of governance information.

The Year in Corporate Governance

Dear Shareholder,

Our objective as your Board of Directors is to create value for the Company's shareholders over the long term. We aim to balance opportunity against risk and lead the Company in a manner that is ethical and serves the best interests of all of our stakeholders. This introductory letter to our proxy statement is intended to give an insight into how the Company was governed over the past year to meet our objectives.

The Company Board



Johnny Hayes, Robert Fowler, James Clark, Albert Raines, Thure Johansson, Mary Lepper, Mildred Sampson, Anni Pede-Erdkamp

Independence
 ○○○○○○○○
 7 independent directors / 1 executive director

Gender Balance
 ○○○○○○○○
 5 male directors / 3 female directors

Board Accomplishments

We would like to draw your attention to the following key Board accomplishments from the past year.

Strategy: Since our last proxy statement, the CEO and the management team initiated a review of the Company's strategy, and proposed certain changes to our business plan. One of the Board's key activities in 2014 was to engage and challenge management on the revised strategy, and, after thorough review, to approve the Company's updated strategic plan, announced in July.

Our new strategic plan, details of which are set out in our Annual Report, is focused on driving accelerated growth and building long-term shareholder value. The opportunities are significant and are reflected in our ambition to double the Company's revenues over the next seven years.

➔ See our Annual Report for a presentation of our Company strategy

Board Responsibilities: This year, after an independent review, the Board debated and adopted amended charters for each of the Committees, and amended documents outlining the responsibilities of the Chairman of the Board.

➔ See page 00 for a diagram presenting the Board's responsibilities.

Shareholder Outreach: The Company engages proactively with our principal shareholders to ensure that strategy and progress are understood. The Board is informed of investor feedback through an Investor Relations briefing at each Board meeting, and considers investor opinion with care. Beyond our Annual Meeting, directors participated in online investor sessions, and our Chairman and CEO attended investor roadshows in the United States and Europe.

➔ All information disseminated at investor events is available to all shareholders through documents, recordings and videos at www.company.com/investorrelations

Company Performance

A Strong Year

In 2014, the Company delivered solid performance, with revenue increasing by 15% and earnings increasing by 9%.

We are particularly satisfied with a number of achievements that have contributed to our strong year, including:

- The successful opening of a new flagship store that contributed a \$7 million in earnings
- The timely launch of our fifth generation product line
- Important progress across our product development pipeline and reduced lead times

Senior management is making sound progress establishing business priorities and managing the Company's day-to-day operations.

Creating Value for our Shareholders

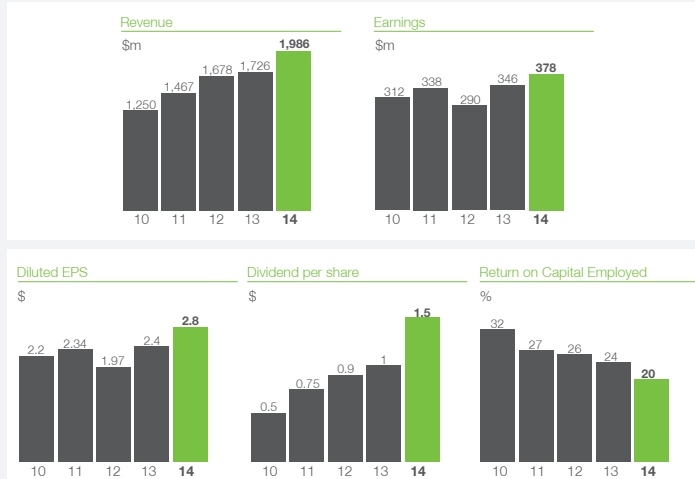
The market for our products and services is large, and continues to grow. The Board believes that our market-leading position situates us to well benefit from growth opportunities.

Our business model is conceived to generate cash returns and enables the Company to return capital to our shareholders when market conditions allow.

In the late summer, the Board approved an exceptional \$400 million share buyback.

In addition, the Board considered and approved a further increase in the dividend for the year as a whole; our annual dividend rate for 2014 was \$1.50 per share.

Our 2014 Performance



2015 Proxy Statement 00

Board facts

A photograph gives the board a personality, while a "dashboard" of Board facts highlights director tenure and diversity of background, culture, with page references for supporting detail

The year's performance story

The board letter presents performance, takes a step back to comment on the company's overall strategy to create returns for shareholders, and points out board actions that impact investors' portfolios, such as share buybacks and dividend increases

The year's compensation story

The board presents high-level compensation messages, including investor feedback and changes to compensation during the prior year

Further ideas for the presentation of executive compensation

- ➔ Executive Compensation page 32
- ➔ Communicating with Visuals page 38

Executive Compensation

Shareholder Feedback on Compensation

At our 2014 Annual Meeting, our compensation program was approved by 95% of votes cast. Throughout the year, the Company has engaged with shareholders around matters including executive compensation, and no significant concerns have been raised.

This being the case, the overall structure of the compensation program remains unchanged, and we continue to operate within the parameters approved by shareholders at the 2014 Annual Meeting.

Alignment with Shareholder interests – an absolute priority

Our executive compensation policy is designed to be simple, and to ensure close alignment between the interests of our executives and our shareholders.

To achieve appropriate alignment, we require our executives to retain meaningful holdings of the Company's stock, and we tie the majority of our Named Executive Officers' compensation opportunity to optimal performance outcomes.

Executive Compensation Guiding Principles

Our executive compensation program is guided by the following principles:

- Attract and retain executives of the caliber required to maintain the Company's position as a market leader;
- Reward executives for enhancing shareholder value and acting in the Company's long-term interests;
- Offer a compensation opportunity in line with our peers;
- Provide opportunities for variable compensation that are based on ambitious performance objectives; and
- Offer an appropriate provision for retirement.

The Board and the Compensation Committee are committed to pay for performance and aligning the rewards of the Company's senior executives with the interests of our long-term shareholders. We look forward to receiving your support for our compensation program at our Annual Meeting.

2014 Executive Compensation at a Glance

Overview of our executive compensation program

Element	Description	Maximum % of base salary	Changes in 2015
Base salary	Established against a qualified peer group	Not applicable	No change in base salaries for our NEOs
Annual bonus	Based on performance review	Not applicable	No change
Long-term incentives	NEOs include security, a car allowance, and Return on Share and Return on Record objectives. 50% incentive award for a period of	150%	No change
Retention awards	For customer retention and other, 50% vests after three years	200%	No change

2014 Summary Compensation (\$)

Name and Principal Position	Salary	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Maurice Richard - CEO	1,118,954	5,062,498	1,689,338	1,689,620	–	594,991	10,155,401
Jan Van Hout - CFO	323,076	500,000	2,999,982	325,229	–	115,121	4,263,408
Frans Slaats - VP of Sales	378,500	1,100,006	200,224	285,767	–	83,619	2,048,116
Tony Rominger - VP of HR	786,184	1,650,003	550,593	786,184	–	244,177	4,017,141
Catherine Marshall - General Counsel	540,750	400,000	1,012,520	337,872	–	544,355	3,010,473

Employee Compensation and Benefits

In 2014, our average staff salary increase worldwide was 2.9%, and we introduced a paternity leave policy. Last year, approximately three million options vested under the Employee Share Option Plan, which was created in 2010 and is open to all full-time employees. We are proud of the level of employee participation in our ESOP, and of the "owner culture" of our employees.

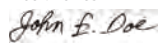
Moving forward with confidence

This is a great Company, and we are proud to serve as your Board. The Company has many strengths, including great people, great ideas and great customers. The progress we have made this year has involved a great deal of hard work and we would like to take this opportunity to thank all of our employees for their ongoing dedication and energy.

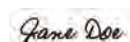
Thank you for your continued support of our Company. We look forward to reviewing 2015 progress with you next year.



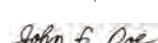
Albert Raines



James Clark



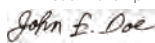
Mildred Sampson



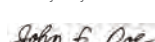
Thure Johansson




Anni Pede-Erdkamp



Johnny Hayes



Robert Fowler



Merry Lepper

Compensation at a glance

An 'at a glance' overview of the company's compensation program and outcomes.

Employee compensation

CEO compensation packages attract considerable attention, but what of employees? Regardless of pay ratio rules, corporations could seize the opportunity to draw attention to positive compensation actions and opportunities offered to employees

- ➔ See also "Company Cash Flow Distribution" graphic presented on page 39

FULL PAGE EXAMPLE

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The Company Board



Johnny Hayes, Robert Fowler, James Clark, Albert Raines, Thure Johansson,
Merry Lepper, Mildred Sampson, Anni Pede-Erdkamp

Independence



7 independent directors / 1 executive director

Gender Balance



5 male directors / 3 female directors

Director Tenure



Average Tenure: 6 years

Nationalities Represented on the Board



3 of our 8 directors were born outside the USA

Director Skills and Experience

Academia	○○○○○○○○
E-commerce	○○○○○○○○
Governance	○○○○○○○○
Finance	○○○○○○○○
Leadership/CEO	○○○○○○○○
Retail	○○○○○○○○

Director Selection Criteria (page 00)

We have established clear requirements for director nominees that are relevant to our business and strategy.

Board Accomplishments

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Strategy: Since our last proxy statement, the CEO and the management team initiated a review of the Company's strategy, and proposed certain changes to our business plan. One of the Board's key activities in 2014 was to engage and challenge management on the revised strategy, and, after thorough review, to approve the Company's updated strategic plan, announced in July.

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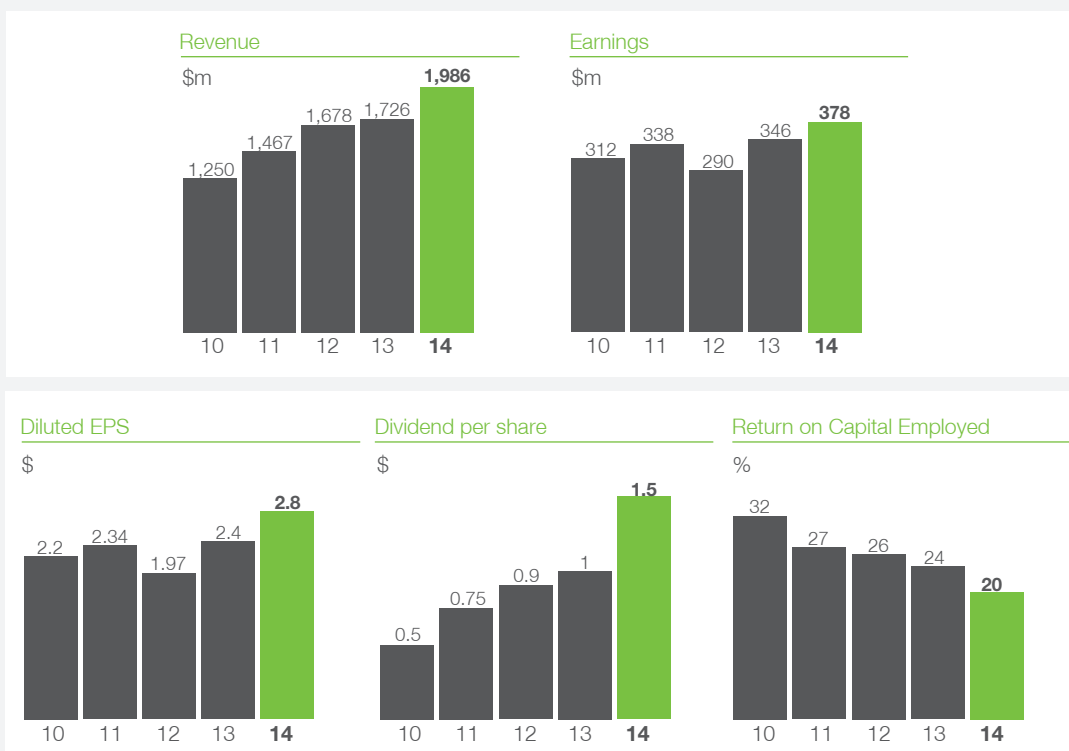
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Our 2014 Performance



FULL PAGE EXAMPLE

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Element	Description	Maximum % of base salary	Changes in 2015
Base salary <i>Fixed, paid in cash</i>	Established against a qualified peer group Annual increases subject to performance review	Not applicable	No change in base salaries for our NEOs
Benefits <i>Fixed</i>	Modest benefits for our NEOs include security, a car and driver and financial planning	Not applicable	No change
Short-Term Incentives <i>Variable, paid in cash and stock</i>	Based on Earnings per Share and Return on Equity plus personal scorecard objectives. 50% deferred into a stock incentive award for a period of three years	150%	No change
Long-Term Incentives <i>Variable, paid in stock</i>	Based on revenue growth, customer retention and a peer group TSR multiplier. 50% vests after three years and 50% after four years	200%	No change

Performance against targets

Short Term Incentives Outcome – 2014 performance year*		Long Term Incentives Outcome – 2012 grant	
EPS – % of maximum achieved	65%	Revenue growth – % of maximum achieved	69%
ROE – % of maximum achieved	59%	Customer retention – % of maximum achieved	60%
Vesting – % of maximum achieved	62%	TSR multiplier – % achieved	115%
		Vesting – % of maximum award	69%

* Also subject to the achievement of personal scorecard objectives

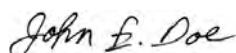
FULL PAGE EXAMPLE

2014 Summary Compensation (\$)

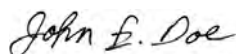
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Employee Compensation and Benefits

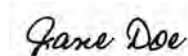
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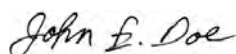
Albert Raines



James Clark



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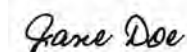


Thure Johansson

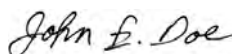
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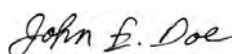
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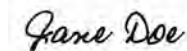
Anni Pede-Erdkamp



Johnny Hayes



Robert Fowler



Merry Lepper

DIRECTORS AND THE BOARD

Humanizing the Board is one of the toughest challenges in preparing proxy statements and other disclosures. First, people who draft disclosure documents are generally not skilled at conveying the intangible qualities that make for a good director. (This also reflects that securities lawyers are trained to avoid assertive disclosures in favor of more cautionary language.) Second, the board is not just a group of individuals; ideally, it operates as a collective with its own dynamics and personality. How do you demonstrate that your board members are great individuals who act as a group? Here are some suggestions:

Photos – A picture may not be worth 1,000 words, but it comes pretty close. By using photos in your director bios, you can demonstrate that your board is diverse, alert and

possibly even energized. Consider photos of directors as a group, or at a Company facility.

Director videos – This is an idea whose time has come, with some trendsetting companies putting videos of some directors on their websites. There can be no better way to demonstrate a director's engagement and vitality.

Personalized communications – What's good for the CEO and board chair/lead director is also good for other directors. Why not a personal statement about why Director A is passionate about the company's business, her role on the Compensation Committee, and so on? Note that a Q&A format can be useful here as well.

Objectives

- ✓ Articulate director personality, character and their views on the board and how it operates
- ✓ Present director expertise and commitment to the company
- ✓ Link the boardroom to the business
- ✓ Establish reader confidence in the board and its members

PROPOSED APPROACH

Linking the Boardroom to the business

New director orientation, strategic retreats, site visits and the board's role in shareholder engagement serve to underline director commitment.

OUR BOARD IN ACTION

This section of our proxy statement highlights some of our Board's key activities over the past 12 months.



SHAREHOLDER ENGAGEMENT

- See page 00 for further information on subjects discussed with shareholders in the course of the year
- Visit our website at www.company.com for our Investor calendar

Shareholders' opinions and concerns are communicated to our Board and its Committees at meetings throughout the year. Company management and directors regularly communicate with investors through meetings, roadshows and conference calls. This year, we reached out to holders of over 70% of our Company's outstanding shares in a groundbreaking investor survey, and in his role as Chairman of the Compensation Committee, Timothy Holder has been communicating directly with investors in relation to changes to our compensation policies.



BOARD STRATEGY RETREAT

- The Annual Strategy Retreat was held at our Nevada distribution facility in June. As in previous years, the Board prepared for the day by reviewing materials on our markets, operational performance and financial forecasts.

Senior managers joined the Board for presentations on strategy and operational efficiency. The agenda for the Strategy Retreat also covered:

- review of progress against Company objectives;
- evaluation of risks, their impact on the Company and mitigation;
- presentations from external advisors;
- growth opportunities in our markets; and
- sustainability performance;

Several initiatives identified in the course of the Board Strategy Retreat have been incorporated into the Company business plan.



NEW DIRECTOR ORIENTATION

- An orientation process for new directors is the responsibility of the Company's Corporate Secretary.
- Ongoing coaching and access to training and other professional development is available to all directors.

Shortly after the appointment of Mary Johnstone and William Robertson, our Corporate Secretary organized a new director orientation session that included:

- site visits;
- a detailed update on Company strategy from senior management;
- private meetings with Vice-Presidents of our three divisions; and
- a meeting with the Company's law firm to discuss corporate governance developments.

DIRECTOR BIOGRAPHIES



TIMOTHY HOLDER
CFO of Seash Corp.
Independent Director

Age: 47

Director since: 2014

Committees: Compensation (Chair)

Other directorships: None

Education: B.S. and M.S. (Sunny University)

MY YEAR AS A DIRECTOR

"I am proud to have been nominated as a director at our 2014 Annual Meeting.

The key focus of the Board is clear; we seek to build on the Company's rich heritage to ensure that the business is sustainable and creates positive returns for our Shareholders over the long-term.

Since the last Annual Meeting, we have worked to constructively challenge the Company's strategy and management to provide appropriate oversight and ensure consistent execution."

Background

Since 2012, Tim has served as Chief Financial Officer of Seash Corp., a provider of B2B services. From 2005 to 2012 Tim served in various finance roles with Womble Inc., a services and products company. Tim held finance roles at Tabular Inc., an online commerce company, from 2003 to 2005. He also served as a consultant with Consulting Co., specializing in products and services.

Relevant skills and experience

Banking and Finance

- Tim has significant financial services and banking experience gained through CFO and senior executive roles.

Growth

- As a CFO he has acquired significant growth and financing expertise.

Risk

- Tim's previous experience leading a number of risk-related consultations also provides us with valuable insight into business risk issues.

RES

Company facilities and, most with all levels of operating rs. Directors continue to ny after orientation sessions, een management and ents.

ROBERTSON

"One of the keys to being a successful director is being exposed to the Company's business operations and asking ourselves challenging questions about the future. Orientation and education sessions, the strategy retreat, visits to stores and ongoing access to management bring invaluable insights and perspectives that are reflected in the Board's oversight of our business plan."

Director personality

Quotations are an excellent way to highlight each director's distinctive character, present actions that evidence good governance and add color

Skills, experience and on symbols...

Emphasizing the relevant skills and experience that each director contributes to the board is a positive trend. The proxy statement should also explain *why* the skills and areas of experience are relevant to oversee the company's business. Finally, symbols should not be used in isolation without an explanation; one company's "marketing" light bulb may mean strategy in another disclosure document.

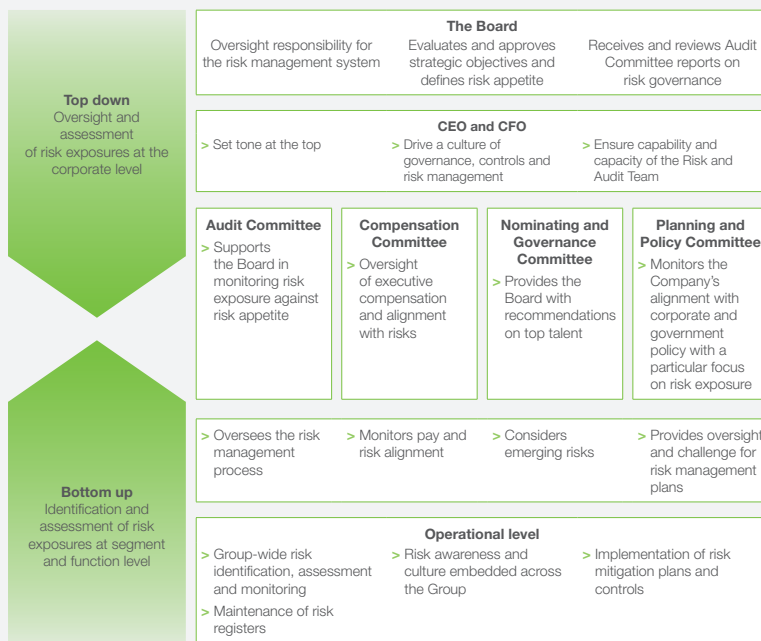
Presenting the role of the Board and its Committees

This at-a-glance flow-chart presents the primary roles and responsibilities of a board and each of its committees, and includes details on committee membership and attendance

THE BOARD AND ITS PRIMARY COMMITTEES



BOARD RISK OVERSIGHT






Board, Committee and Operational Oversight of Risk

In the same manner, a flow-chart can be used to articulate the effective roles and responsibilities of the board, its committees and operational management when it comes to the oversight of risk

FULL PAGE EXAMPLE

OUR BOARD IN ACTION

This section of our proxy statement highlights some of our Board's key activities over the past 12 months.

YEAR ROUND 	SHAREHOLDER ENGAGEMENT <p>➔ See page 00 for further information on subjects discussed with shareholders in the course of the year</p> <p>➔ Visit our website at www.company.com for our Investor calendar</p>	<p>Shareholders' opinions and concerns are communicated to our Board and its Committees at meetings throughout the year. Company management and directors regularly communicate with investors through meetings, roadshows and conference calls. This year, we reached out to holders of over 70% of our Company's outstanding shares in a groundbreaking investor survey, and in his role as Chairman of the Compensation Committee, Timothy Holder has been communicating directly with investors in relation to changes to our compensation policies.</p>
JUNE 	BOARD STRATEGY RETREAT <p>➔ The Annual Strategy Retreat was held at our Nevada distribution facility in June. As in previous years, the Board prepared for the day by reviewing materials on our markets, operational performance and financial forecasts.</p>	<p>Senior managers joined the Board for presentations on strategy and operational efficiency. The agenda for the Strategy Retreat also covered:</p> <ul style="list-style-type: none"> • review of progress against Company objectives; • evaluation of risks, their impact on the Company and mitigation; • presentations from external advisors; • growth opportunities in our markets; and • sustainability performance; <p>Several initiatives identified in the course of the Board Strategy Retreat have been incorporated into the Company business plan.</p>
OCTOBER 	NEW DIRECTOR ORIENTATION <p>➔ An orientation process for new directors is the responsibility of the Company's Corporate Secretary.</p> <p>➔ Ongoing coaching and access to training and other professional development is available to all directors.</p>	<p>Shortly after the appointment of Many Johnstone and William Robertson, our Corporate Secretary organized a new director orientation session that included:</p> <ul style="list-style-type: none"> • site visits; • a detailed update on Company strategy from senior management; • private meetings with Vice-Presidents of our three divisions; and • a meeting with the Company's law firm to discuss corporate governance developments.
DECEMBER 	BOARD VISIT TO RETAIL STORES <p>➔ Directors are required to visit Company facilities and, most importantly, to meet face-to-face with all levels of operating management as well as customers. Directors continue to become familiar with our Company after orientation sessions, and there is regular contact between management and directors during site visits and events.</p>	<p>In June, the Board met at a Company facility in Los Angeles. Having seen the flagship store in the final stages of construction last year, this visit enabled the Board to see the store open for business. The Board toured the store, received presentations from the store management teams and met customers</p>

DIRECTOR PERSPECTIVE – WILLIAM ROBERTSON



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FULL PAGE EXAMPLE

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FULL PAGE EXAMPLE

THE BOARD AND ITS PRIMARY COMMITTEES

Board

Chairman, CEO, and six Independent Directors



The Board of Directors acts as the ultimate decision-making body of the Company and advises and oversees management, which is responsible for the day-to-day operations and management of the Company.

AUDIT COMMITTEE

The Committee assists the Board in its oversight of:

- the integrity of our financial statements;
- the hiring, qualifications, independence and performance of our independent registered public accounting firm, for which the Committee bears principal responsibility;
- the performance of our internal audit function; and
- our policies and practices with respect to risk assessment and risk management.

Each member of the Committee is financially literate as defined under applicable SEC rules.

Committee members

Ms. Bolt
Mr. Gay
Mrs. Blake

Meetings in FY'15

8

Committee report, responsibilities and activities are discussed on page 23

COMPENSATION COMMITTEE

The Committee assists the Board in its oversight of:

- our compensation and benefits policies and programs generally;
- the performance of designated senior executives;
- the compensation of our designated senior executives; and
- Board compensation.

At meetings, non-members or external consultants, may be invited to provide information, respond to questions and provide general staff support. No executive officer is permitted to be present during any discussion of his or her compensation or performance.

Committee members

Mrs. Powell
Mr. Gatlin
Ms. Carter

Meetings in FY'15

6

Committee report, responsibilities and activities are discussed on page 24

NOMINATING AND GOVERNANCE COMMITTEE

The Committee assists the Board in its oversight of:

- Director qualification standards and nominations;
- appointing directors to Board Committees;
- Board and Committee performance; and
- our policies and practices on issues relating to corporate social responsibility, charitable contributions, political spending practices and other significant public policy issues.

Committee members

Mr. Greene
Ms. Mullings
Mr. Thompson

Meetings in FY'15

5

Committee report, responsibilities and activities are discussed on page 25

PLANNING AND POLICY COMMITTEE

The Committee assists the Board in its oversight of:

- strategic planning; and
- corporate policy.

Committee members

Ms. Bailey
Mr. Sure
Mrs. Burin

Meetings in FY'15

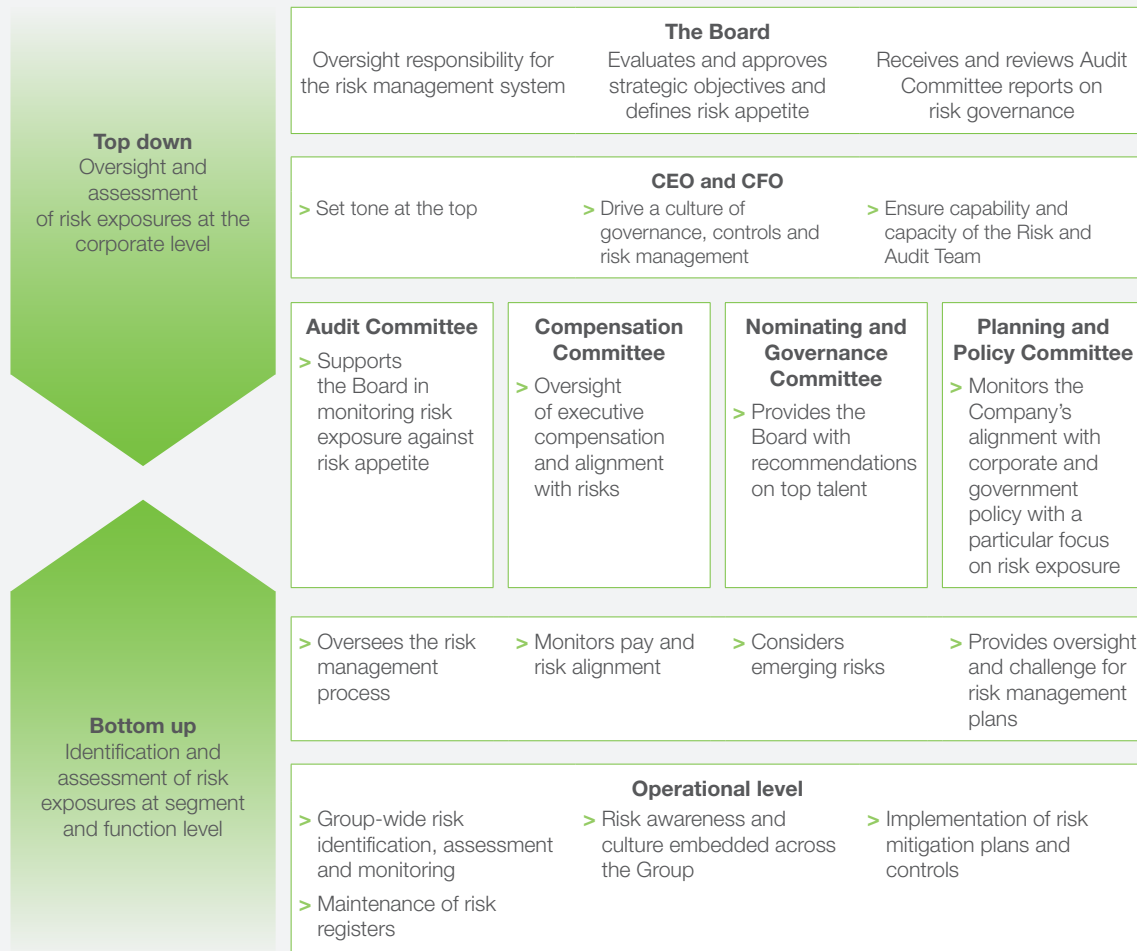
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Committee report, responsibilities and activities are discussed on page 26

Each member of each committee is Independent under the rules of the NYSE. The charter for each committee, as approved by the Board, may be viewed on our website at <http://investors.company.com> and also is available to stockholders without charge upon request to our Corporate Secretary.

FULL PAGE EXAMPLE

BOARD RISK OVERSIGHT



BOARD AND COMMITTEE EFFECTIVENESS

Investors continue to search for ways to assess whether the boards of the companies in which they invest are comprised of the right people and have the skills and abilities to do their jobs well. Short of getting a seat in the board room, disclosure provides one of the few ways for investors to make these assessments.

Objectives

- ✓ Demonstrate that your directors – collectively – have the skills and experience to execute their duties effectively.
- ✓ Convey that your directors are engaged and committed to the company and its shareholders and other constituencies by discussing what they've done rather than what they are.
- ✓ Address your investors' interests by going beyond minimum disclosure requirements.

Disclosures along the following lines will provide your investors with a glimpse into board processes – and will make your directors look good in the process.

- **Skill set disclosure** – Unfortunately, SEC-mandated skill set disclosure has become boilerplate and is tedious at best. More important, talking about individual skill sets doesn't capture that the board is a group rather than a bunch of individuals. And a detailed skills matrix poses some risks – including potential liability – of having some directors perceived as single-skill board members. Infographics demonstrating collective board skills and aptitudes are visually engaging and can be more meaningful.
- **Committee reports** – Investors have told us that they are tired of the standard committee report that does little more than recite key provisions of the committee charter – how many members, principal qualifications, and general duties. Interestingly, we hear this from committee members too – they work hard all year but the

committee reports just tell what each committee is rather than what it does. A robust committee report can reduce or eliminate the boilerplate and talk about the matters tackled by the committee during the year, demonstrating its effectiveness.

- **Tell the end of the story** – When possible, tell your investors what your board does with the information it receives. For example, most companies report only that their board and committees conduct annual self-assessments. Very few companies say what happens to them. You don't have to give details or even disclose areas where improvements may be needed. However, you can say, for example, to whom the self-assessment results are reported; how the board or committee addresses an area where there is a need for improvement; and whether the board or committee tracks improvements in that area year-to-year.

PROPOSED APPROACH

Present process...

Reassure investors that the board has established a thorough process to assess how effectively it is operating

...and progress

After disclosing information around the board evaluation process, present matters that have been addressed to improve board effectiveness.

BOARD EFFECTIVENESS

The Chairman of the Board is responsible for Board operations, seeking to ensure that the Board is operating effectively and in the best interests of shareholders.

To this end, the Board undertakes an annual formal evaluation of its effectiveness that is supported by outside counsel.

Board Evaluation Process

1

2

3

4

5

The Chairman discusses the scope of the evaluation with the Board and outside counsel.

Outside counsel reviews relevant Board documents and conducts interviews with directors and Company management.

Outside counsel prepares recommendations to identify Board strengths and areas for improvement.

The recommendations are reviewed and discussed by the Board, and an action plan is prepared.

The Board's progress against the action plan is monitored by the Chairman, who briefs the Board at regular intervals throughout the year.

This year's review covered the effectiveness of the Board as a whole, its individual directors and its Committees. The review was discussed at the Board meeting in October 2014.

The conclusion was that the Board's effectiveness had improved over the year, and that greater input and constructive criticism had been offered by independent directors at Board meetings. There remains room for improvement and a number of actions will be pursued in the coming year that should deliver further improvements.

2014 ACTION PLAN	PROGRESS AGAINST ACTION PLAN
<p>Refresh the Board with the nomination of additional independent directors</p> <p>Focus on leadership succession planning → See page 00 for further information on succession planning</p> <p>The Board should continue to learn about the Company through ongoing visits to sites and access to senior and operational management → See page 00 for further information on our Board in action</p> <p>Strengthen the orientation program for newly appointed directors to establish a comprehensive understanding of the Company's strategy and opportunities → See page 00 for further information on our director orientation program</p>	<p>Two independent directors, Mary Johnstone and William Robertson, joined the Board in 2014.</p> <p>The Board delivered a systematic plan to:</p> <ul style="list-style-type: none"> Build a leadership pipeline to ensure leadership continuity Develop potential internal successors for leadership positions, with a particular focus on the CEO role Focus HR leadership on the talent development process <p>Further to regular Board and Committee meetings, in the course of the year directors committed time and resources to:</p> <ul style="list-style-type: none"> A strategy retreat held at our Distribution Facility in Nevada Visits to retail stores including our Los Angeles flagship store <p>New director orientation sessions have been enhanced to include:</p> <ul style="list-style-type: none"> site visits; a detailed update on Company strategy from senior management; private meetings with Vice-Presidents of our three divisions; and a meeting with the Company's outside law firm to discuss corporate governance developments.

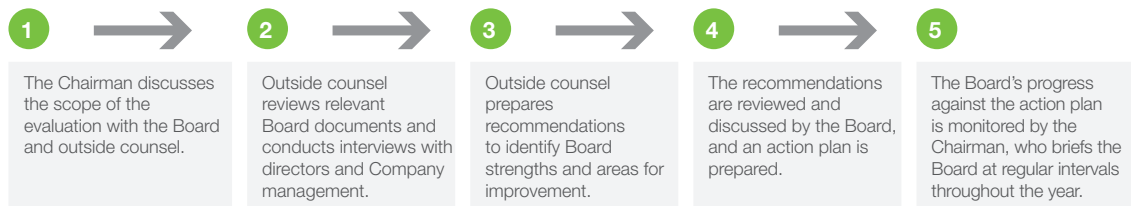
2015 Proxy Statement 00

FULL PAGE EXAMPLE

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AUDIT COMMITTEE REPORTS

Audit committees have many important responsibilities and, rightly or wrongly, are often blamed when things go wrong, whether it's a financial restatement or a compliance matter. However, most companies limit audit committee disclosures to the minimum requirements – the composition of the committee (independence, financial literacy, etc.) and boilerplate about the selection of the auditors.

This perfunctory disclosure has generated suggestions from many quarters, ranging from institutional shareholders to the audit profession itself (see the Center for Audit Quality's "Call to Action" and, most recently, the SEC, which published a "Concept Release" on July 1, 2015.). In fact, even audit committee members are pressing for more robust coverage of their work; one audit committee member said that he wishes that his company's proxy statement could say what the audit committee **does** rather than what it **is**. For consideration:

- Include a personal statement from the chair or even the full committee. Alternatively, use a Q&A approach to "humanize" the chair or the committee – possibly in the form of a video interview on the company's annual meeting website.
- Talk about the things the committee has done during the course of the prior year. For example, did the committee oversee investigations into compliance matters? Do a major review of the company's risk

profile? Implement some recommendations made during the last committee self-assessment (and, if so, let people know what was accomplished)? Also, talk about the committee's process for reviewing earnings announcements and 10-Q filings. One practical approach is to look over the committee minutes for the prior year to get a handle on what the committee has done.

- Explain the auditor selection process. The SEC mandates disclosure of certain things in connection with auditor selection, but what does the committee actually do when it considers the auditor for the coming year? Does it consider rotation? Does it meet with the engagement partner? Others in the audit firm? Does it interview the company's financial team to get its assessment of how well the current auditor is doing? Things like this give a real flavor for the hands-on nature of the committee's engagement.

By the way – talking about what the committee does rather than what it is doesn't just apply to the audit committee; it goes for every other standing committee as well, including committees that aren't required to be discussed in the proxy statement (e.g., risk and public policy committees).

Objectives

- ✓ Demonstrate the engagement and vigilance of the audit committee
- ✓ Highlight actions from the prior year, and areas of focus for the following year
- ✓ Establish trust in the audit committee and its members

Overview of the Year

A straightforward explanation of how the committee operates

What the audit committee did over the past year

An at-a-glance overview of committee actions and accomplishments

Forward-looking disclosure

An introduction to the committee's areas of focus for the year to come

AUDIT COMMITTEE

"The audit committee monitors and reviews the Company's financial statements to assess their accuracy and integrity. We also engage and monitor the performance of the Company's independent registered public accounting firm, and oversee the Company's internal control and risk management systems and processes."

Committee Membership

Chairman (pictured right)
Gerald Bauer

Richard Coleman
James Firegan
Timothy Malone
Pierre Sacki

Meetings in 2014: 8

All members of the Audit Committee are independent, financially literate and audit committee financial experts, as those terms are defined in SEC rules.

Audit Committee Responsibilities

Primary areas of oversight:

- The integrity of the Company's financial reporting;
- The independence and performance of the Company's independent registered public accounting firm;
- The Company's internal audit and control systems;
- The Company's risk management systems and processes;
- The Company's compliance activities.

2014 Key Actions

- Reviewed the Group's quarterly and annual results;
- Led an RFP that resulted in our engagement of AccountingFirm LLP as the Company's independent registered public accounting firm, subject to shareholder ratification at the 2015 Annual Meeting;
- Reviewed the activities and findings of the Company's Internal Audit Department, and reviewed and approved the 2015 Internal Audit plan;
- Reviewed the effectiveness of the risk management function and the Company's internal control systems, including reviews of the Company's principal risks and mitigating actions; and
- 2015 Areas of Focus

- Monitor management implementation of recommendations identified through the internal auditor effectiveness review; and
- Continue oversight of Company risks, with presentations on managing financial risks from the Company's internal tax and treasury departments.

Overview of the Year

The Audit Committee met eight times during 2014. Regular Audit Committee meetings generally take place immediately before a Board meeting to maximize interaction with the Board. The Committee also meets before the Group issues its quarterly financial results and its quarterly filings with the SEC. Mr. Bauer, the Committee Chair, regularly reports to the Board on the Committee's activities and matters of particular relevance.

At each regular Committee meeting, the Committee conducts a review session at which senior management provides briefings on current issues and developments surrounding risk management. These reviews enhance the Committee's understanding of the context and challenges of day-to-day business operations and contribute to an effective use of the Committee's time.

The independent registered public accounting firm is invited to each meeting together with the CEO, CFO, and financial management and compliance teams.

The Committee also regularly meets separately with the independent registered public accounting firm, the CFO and the Company's Head of Internal Audit without others present.

We believe that the Audit Committee's actions and activities over the past year have enabled us to gain a sound appreciation of the risks and challenges faced by the Company, and the adequacy of the actions taken to address them.

Audit Committee Report

In performing its oversight role, the Audit Committee has reviewed and discussed with management the matters required to be discussed under all relevant professional and regulatory standards, which included discussion of the quality of the Company's accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

Based on the review and discussions referred to in this Report, the Audit Committee recommended to the Board that the audited financial statements of the Company for the year ended December 31, 2014 be included in its 2014 10-K.

Members of the Audit Committee

Gerald Bauer, Chairman
Richard Coleman
James Firegan
Timothy Malone
Pierre Sacki

FULL PAGE EXAMPLE

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EXECUTIVE COMPENSATION

For the foreseeable future, the Compensation Discussion & Analysis will be one of the most sensitive items of disclosure that corporations publish. Shareholders seize upon the “Say on Pay” voting item to express their dissatisfaction with poor – or poorly explained – compensation practices, and use a “no” vote to express dissatisfaction at corporate performance.

An Executive Summary can be used to clarify reader understanding of executive compensation matters, and as corporations seek to get their point across and counterbalance arguments put forward by proxy advisors in their reports, summary sections are becoming a standard feature.

Objectives

- ✓ Create an introduction to the CD&A that enables the compensation committee to explain what it has done in a frank and direct manner
- ✓ A message from the Chair of the compensation committee might be used to bring color to the committee report and state *why* shareholders should support the “Say on Pay” voting item
- ✓ In the early pages of the CD&A, present facts clearly and succinctly and avoid unnecessary detail

PROPOSED APPROACH

At a glance information

The first pages of the CD&A should be used to communicate qualitative and quantitative information that is tailored to a company's circumstances

Compensation explained

How does the company's executive compensation program work? What are the supporting principles?

INTRODUCTION TO OUR EXECUTIVE COMPENSATION PROGRAM

OUR OBJECTIVE

Our executive compensation policy is designed to reward our CEO and other Named Executive Officers for delivering financial and operational performance that benefits our shareholders and contributes to the long-term viability and success of our Company.

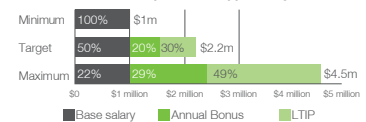
ELEMENTS OF DIRECT COMPENSATION

ELEMENT	LINK TO STRATEGY	OPERATION	OPPORTUNITY	PERFORMANCE METRICS
Base Salary (p 00)	<ul style="list-style-type: none">Fixed element of compensationAttract and retain high caliber talent	<ul style="list-style-type: none">Delivered in cash bi-weekly, reviewed annually	<ul style="list-style-type: none">Increases in base salary are not guaranteedSalary levels set at median of compensation peer group	<ul style="list-style-type: none">Performance is a key consideration in setting and reviewing base salaries
Annual Incentive (p 00)	<ul style="list-style-type: none">Focuses management on annual goalsRewards performanceA clawback provision mitigates risk	<ul style="list-style-type: none">Performance measures and targets are set at the start of the year and reflect the responsibilities of each executive.At the end of the year, the Committee determines the extent to which targets have been reached.If earned, delivered 60% in cash, 40% deferred into shares delivered after two years	<ul style="list-style-type: none">Set at 150% of salary for maximum performance	<ul style="list-style-type: none">20% of the maximum bonus potential is based on personal objectives aligned to the Company's strategy80% of the payout is based on challenging Company financial and operational targets
Long-term Incentive Plan (p 00)	<ul style="list-style-type: none">Aligns the interests of management with those of shareholders in growing the value of our Company over the long term	<ul style="list-style-type: none">Awards have a performance period of three years starting at the beginning of the year in which the award is made	<ul style="list-style-type: none">Limit of 300% of salary per annum.	<ul style="list-style-type: none">Awards are based 20% on total shareholder return (TSR) and 80% on financial measures

BALANCE OF ELEMENTS – FUTURE REWARD OPPORTUNITIES

that the majority of our financial and operating performance is tied to long-term potential future

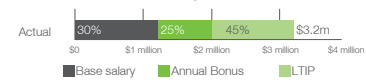
CEO Total Direct Compensation Opportunity



COMPENSATION

Compensation for Helen LTIP is valued as at

CEO 2014 Actual Direct Compensation



See our Summary Compensation Table on page 00 for further details regarding our Chief Executive Officer's compensation.

Potential and actual compensation outcomes

Graphics enable readers to understand how performance impacts the total direct compensation opportunity, whether the leadership team outperforms or underperforms

Why should investors support the Company's compensation program?

A frank and direct message from the compensation committee can be used to articulate why shareholders should support the executive compensation program



Timothy Holder, Chair of the Compensation Committee

2014 Compensation Committee

Scheduled Meetings: 4

Members	Independent	Scheduled Meetings Attended
James Atkinson	☑	☑ ☑ ☑ ☑
Timothy Holder - Chairman	☑	☑ ☑ ☑ ☑
Bruce Potter	☑	☑ ☑ ☑ ☑
Mary Johnstone	☑	☑ ☑ ☑ ☑
William Robertson	☑	☑ ☑ ☑ ☑

Primary Responsibilities

- Establish and recommend the overall executive compensation policy for approval by shareholders
- Oversee individual compensation packages for the most senior executives in the Company (our Named Executive Officers)
- Establish annual and long-term incentive metrics and awards and determine the executive compensation outcomes
- Report on compensation matters and engage with the Company's shareholders
- Assess risk in respect of compensation and incentive structures

Changes to our Executive Compensation Program

- We are proposing the following revisions in our executive compensation program to our shareholders for approval.
- The termination of our historic Stock Matching Plan that will be allowed to expire without renewal (p 00)
 - Additional performance measures designed to further align executive compensation with our strategy (p 00)

Areas of Focus for 2015

- Pursue engagement with our shareholders to secure support for compensation changes at our forthcoming Annual Meeting
- Review the scope of retirement arrangements
- Undertake – with the support of our independent compensation consultant – a detailed review of our executive compensation peer group

"The Compensation Committee seeks to ensure that our executives are compensated in a way that promotes the long-term success of our Company. We consult with our shareholders at the Annual Meeting and throughout the year, and implement changes as appropriate."

Dear Shareholder,

I am pleased to present our report on the compensation of our CEO and other Named Executive Officers:

- Helen Wakefield – Chief Executive Officer
- Seth Davidson – Chief Financial Officer
- Joseph Kennedy – Vice-President, Research & Development
- Sally Dobson – Vice-President, Human Resources
- Violet Piercy – Vice-President, Logistics

On the opposite page there is an at a glance summary of the key elements of compensation delivered to our executives in 2014, the potential range of reward opportunities for our CEO, and the actual reward mix for 2014. Further details of the Committee's compensation actions are presented over the next pages.

Listening to our Shareholders

My appointment as Chairman of the Compensation Committee at our 2014 Annual Meeting coincided with shareholders supporting our executive compensation policy by a vote 94% in favor.

Since last year's meeting, my colleagues and I have continued our positive, ongoing engagement with shareholders to ensure that our approach to executive compensation remains firmly aligned with the views of a majority of our shareholders.

Supporting our executive compensation program

At our Company, a substantial portion of our executives' compensation opportunity is tied to reaching ambitious milestones, and the metrics by which our executives' performance is evaluated are chosen because they lead to financial and operational outcomes that benefit our shareholders, and contribute to our long-term viability and success.

We believe that our executive compensation program offers a minimum opportunity in line with market rates, and rewards outperformance that is created directly by the efforts of our most senior employees, rather than general upward market trajectories or other trends.

For this reason, we believe that our shareholders should support the executive compensation policies as described in these pages by voting "FOR" the "Say on Pay" item in this Proxy Statement.

FULL PAGE EXAMPLE

INTRODUCTION TO OUR EXECUTIVE COMPENSATION PROGRAM

OUR OBJECTIVE

Our executive compensation policy is designed to reward our CEO and other Named Executive Officers for delivering financial and operational performance that benefits our shareholders and contributes to the long-term viability and success of our Company.

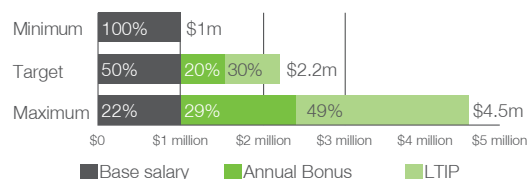
ELEMENTS OF DIRECT COMPENSATION

ELEMENT	LINK TO STRATEGY	OPERATION	OPPORTUNITY	PERFORMANCE METRICS
Base Salary (p 00)	<ul style="list-style-type: none"> Fixed element of compensation Attract and retain high caliber talent 	<ul style="list-style-type: none"> Delivered in cash bi-weekly, reviewed annually 	<ul style="list-style-type: none"> Increases in base salary are not guaranteed Salary levels set at median of compensation peer group 	<ul style="list-style-type: none"> Performance is a key consideration in setting and reviewing base salaries
Annual Incentive (p 00)	<ul style="list-style-type: none"> Focuses management on annual goals Rewards performance A clawback provision mitigates risk 	<ul style="list-style-type: none"> Performance measures and targets are set at the start of the year and reflect the responsibilities of each executive. At the end of the year, the Committee determines the extent to which targets have been reached. If earned, delivered 60% in cash, 40% deferred into shares delivered after two years 	<ul style="list-style-type: none"> Set at 150% of salary for maximum performance 	<ul style="list-style-type: none"> 20% of the maximum bonus potential is based on personal objectives aligned to the Company's strategy 80% of the payout is based on challenging Company financial and operational targets
Long-term Incentive Plan (p 00)	<ul style="list-style-type: none"> Aligns the interests of management with those of shareholders in growing the value of our Company over the long term 	<ul style="list-style-type: none"> Awards have a performance period of three years starting at the beginning of the year in which the award is made 	<ul style="list-style-type: none"> Limit of 300% of salary per annum. 	<ul style="list-style-type: none"> Awards are based 20% on total shareholder return (TSR) and 80% on financial measures

BALANCE OF ELEMENTS – FUTURE REWARD OPPORTUNITIES

Direct elements of compensation are balanced so that the majority of the executive compensation opportunity is linked to our financial and operational performance, and there is a heavier weighting on long-term than short-term performance. As an example, the potential future reward opportunities for our CEO are as follows:

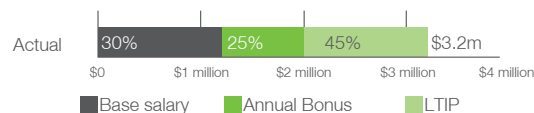
CEO Total Direct Compensation Opportunity



BALANCE OF ELEMENTS – 2014 COMPENSATION

The actual balance of the various compensation elements for Helen Wakefield, Chief Executive Officer, was as follows (LTIP is valued as at date of vesting December 19, 2014):

CEO 2014 Actual Direct Compensation



See our Summary Compensation Table on page 00 for further details regarding our Chief Executive Officer's compensation.

FULL PAGE EXAMPLE



Timothy Holder, Chair of the Compensation Committee

2014 Compensation Committee

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James Atkinson	✓	✓	✓	✓	✓	✓
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Bruce Potter	✓	✗	✓	✓	✓	✓
Mary Johnstone	✓	✓	✓	✓	✓	✓
William Robertson	✓	✓	✓	✓	✓	✓

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✂ DESIGN

DISRUPTIVE PRESENTATION

Be heard, not herd! Information design features can influence readers by guiding them to key messages, thereby increasing the likelihood that they will read, understand and support the company's story and perspective rather than that of a proxy advisor or other party's version.

Information Architecture

Clear titles	Help readers navigate disclosure by applying clear levels of title. Correctly applied section titles create a visual hierarchy in which important elements are emphasized and content is organized logically
Call out information	Emphasize key messages with the use of call-out boxes. This tool is an effective way to direct readers' attention and disrupt dense content. Use sparingly to maximize impact
Visual support	Graphics are an effective way of communicating complex principles in a more concise, simplified manner than text, and are useful when extracting key takeaways from lengthy content

Navigation Tools

Page references	It is helpful to guide readers to where they can find further information across disclosure documents and beyond. This also gives the Company a cohesive approach towards communicating with shareholders.
Page guides	Readers should understand instinctively where they are in a particular document. Page guides allow for document navigation without needing to refer to the table of contents, and are particularly useful when a section or page is separated from the balance of the document.
Intradocument links	In online formats, whether EDGAR HTML, PDF or evolved HTML, all references to pages or sections should be "live" so that a reader can easily navigate from one section to the next.

PROPOSED APPROACH

If you don't want readers to miss it, call it out




Call-out boxes attract reader attention, even more so when a second color is used (consider using color for online documents even if you print in black only)

STOCKHOLDER OUTREACH

Because the Company values its stockholders and their opinions, we have regularly interacted with our stockholders on a variety of matters. In 2014, at the direction of the Board, the Company engaged in a robust stockholder outreach effort to best understand and address any concerns stockholders might have.

A representative member from each Board committee was present during conversations with our largest investors. These Board members communicate feedback to the Board and seek to ensure that appropriate implementation remains a key focal point throughout the year.

WHAT WE LEARNED AND ACTIONS TAKEN BY THE BOARD

What we heard from shareholders	What we did in response	Committee Impacted	Responsible Board Member	To Learn more
Greater consideration of diversity of background and exposure amongst the Board	Prepared and implemented guidelines for all future Board candidates that consider diversity of gender, culture and background	 N&CS	Karman	See page 16
Concern regarding payout when TSR performance is significantly below target	Established threshold performance levels for the TSR component of performance shares, below which no payout will be made	 Compensation	Gbowee	See page 19
Concern regarding anticipating risk surrounding political environment	Adopted risk metrics specifically pertaining to political contributions and affiliations for each of the regions in which we operate	 Audit	Yousafzai	See page 21

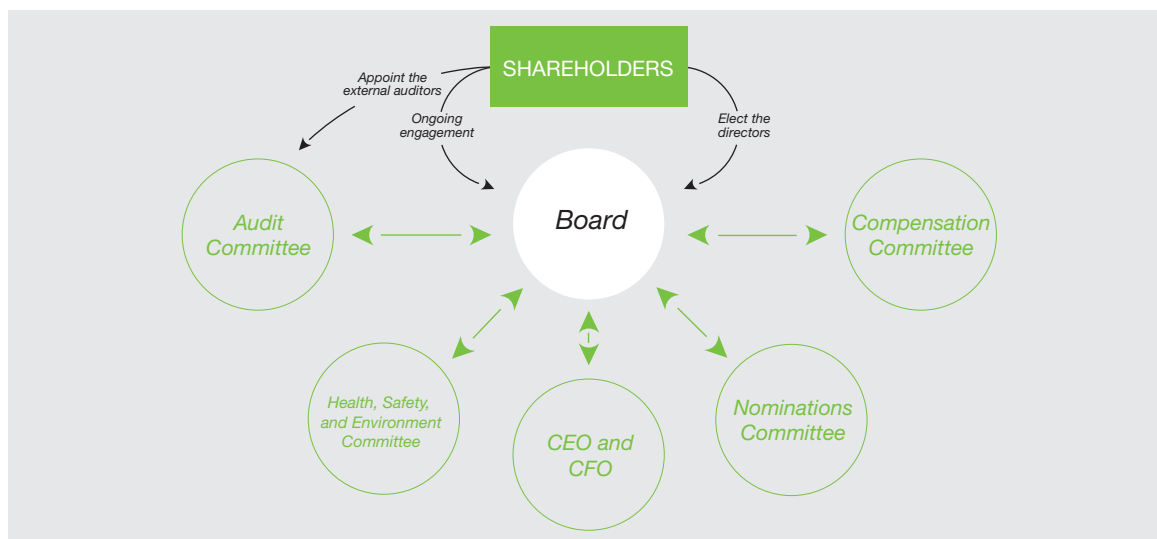
Tables that tell a story

Here, a table is used to highlight investor feedback, what the Board has done in response

Flowcharts

Flowcharts are an effective way to present information in a way that is easier to digest than a narrative

BOARD COMMITTEE AND SHAREHOLDER INTERACTIONS



COMMUNICATING WITH VISUALS

When the objective is quick, clear communication of a complex subject – executive compensation for example – graphics trump text almost every time.

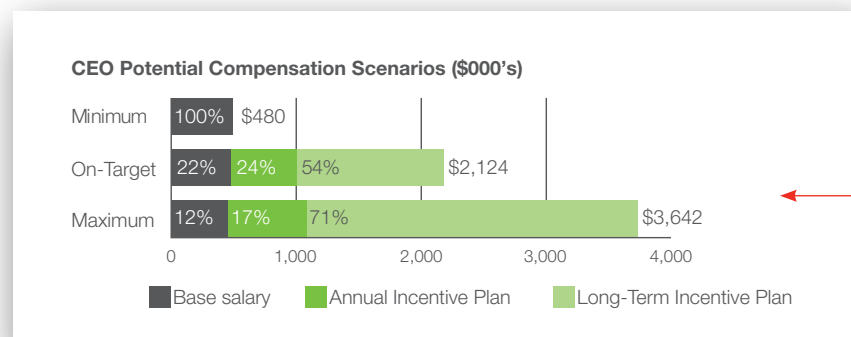
This being the case, bar charts, pie charts, plot graphs and even infographics have grown in popularity in disclosure

documents. Graphics are used to communicate complex data for precise, effective and quick analysis, and when presented alongside well drafted text and clear tables, graphics articulate facts to shareholders in a way that is engaging and in compliance with the SEC's EDGAR rules.

Objectives

- ✓ Present information in a way that is crisp, clear and informative
- ✓ Avoid fussy, cluttered graphics or visuals that do not aid reader understanding of the subject at hand
- ✓ Graphics in disclosure documents must be complemented by a user's ability to search for required information on EDGAR

PROPOSED APPROACH



Potential compensation outcomes

A graphic can be used to explain clearly how much a CEO or NEO would earn under "minimum", "on-target" and "maximum" payout scenarios

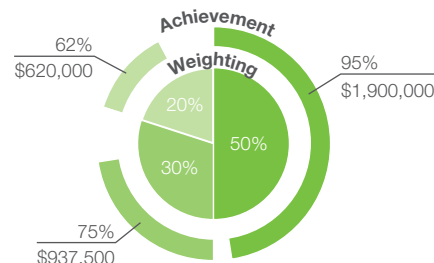
Target weighting and achievement

Explain the weighting of each portion of a long- or short-term target, with the compensation opportunity and outcome

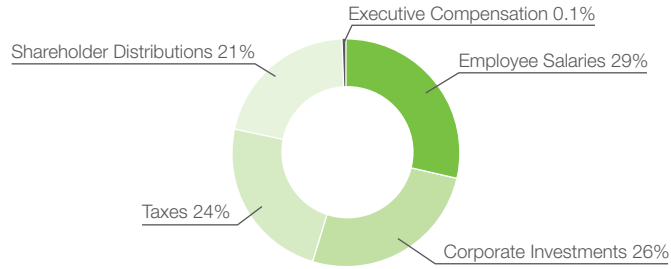
CEO STIP: Opportunity, Target by weighting and Achievement

Opportunity

- Company Revenues: 200% base salary
- Company Operating Profit: 125% base Salary
- Earnings Per Share: 100% base Salary



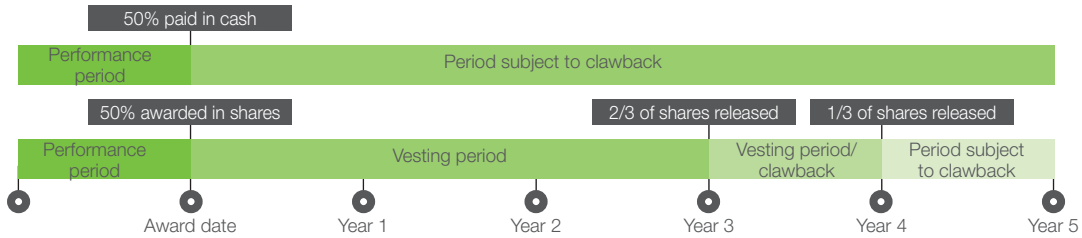
Company Cash Flow Distribution



Providing context for compensation

By explaining cash outflows, a corporation can provide context for the aggregate total cost of executive compensation

Annual Incentive Plan timeline



Compensation timelines

Present compensation schedules in graphic form to highlight performance periods, vesting schedules and clawback provisions

Annual Incentive Plan timeline



➤ DISSEMINATION

CUSTOMIZED PRINT

Existing print technology advances make it possible for you to optimize the value of your mailed disclosure documents. This is particularly true when targeting registered shareowners.

Most companies engage with their top investors through shareholder outreach programs. However, using print media

and tracking feedback, companies have the opportunity to target communications to specific individuals or groups, eliciting responses and using the once static printed document as a dynamic engagement tool. This allows for a greater understanding of the investors' values and helps the company to better address shareholder interests.

PROPOSED APPROACH

Personalized communication

Digital printing can make each document unique. This provides opportunities to present targeted documents to your investors – especially those that have provided feedback on the company's governance, business and other practices:

- Pursue year-round dialogue by providing customized updates, targeting key interests based off feedback forms or shareholder engagement programs.
- Target individuals by addressing them by name in the proxy statement letter, additional solicitation materials or investor presentations.

Perforation

A perforation on the back cover of your proxy statement or annual report provides possibilities, including:

- Entry tickets to the annual meeting of shareholders
- Discount coupons for retail products
- Links to software/apps or products
- Codes for limited access to online events/sales/downloads

Codes

Individual, custom QR or barcodes on the back of your printed document can provide valuable information on investor behavior. A personalized QR code can lead your reader to resources including:

- Directions to the annual meeting from their mailing address
- Responsive content based on a brief survey on their primary disclosure interests
- indirect feedback on what matters most to your readers



DEDICATED WEBSITES

Dedicated websites can be created and launched in a tight timeframe, making this an effective response to special situations such as a proxy fight or high-stakes annual meeting.

Primary functions of an annual meeting website are to present annual meeting materials in one place, clearly articulate key messages and encourage positive participation. Content can be updated as required to inform investors of any changes

in the run-up to the annual meeting – supplementary materials for example, or changes made in response to shareholder feedback.

In the same manner as dissident investors use the internet to tell their story, a dedicated “defense” website can ensure that a corporation generates equal or greater traffic, and can attract attention to its governance and strategic strengths.

Website considerations:

- **Learn through analytics** — what shareholders are looking at, talking about and asking
- **Tell your story** — draw shareholders to your message. This is particularly important in activist situations or challenging meetings
- **Modernize your solicitation strategy** — achieve consistent presentation and messaging across all disclosure
- **Continuous communication** — Websites and social media will play a growing role in the communication of corporate governance and investor relations

Providing readers with relevant and timely online content and access to disclosure offers the opportunity to establish a year-round dialogue and gather valuable feedback from investors.

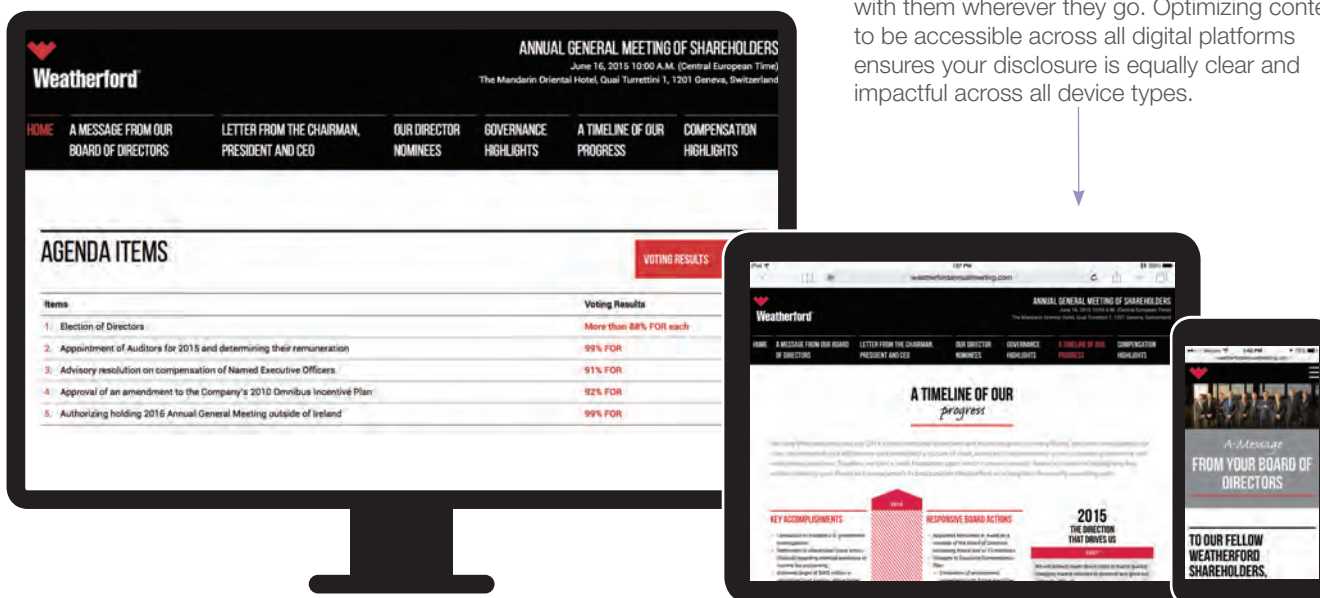
Website benefits

Lower broker non-votes	Companies that have adopted annual meeting websites have reduced broker non-votes by as much as 8%
Increased support of management proposals	Particularly in the case of companies with a notable retail or employee ownership
A platform suitable for video	Present video biographies of members of the Board and management, or a brief welcome
Encourage participation	Call site visitors to action by explaining how to vote in simple terms, and by providing links.
Reach a broader audience	A Company's website should be simple to use and offer helpful navigation functionalities

Example: www.weatherfordannualmeeting.com

Optimize online presentation

Most readers carry their smartphone or tablet with them wherever they go. Optimizing content to be accessible across all digital platforms ensures your disclosure is equally clear and impactful across all device types.



Your Message. Understood.